

## Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-06 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06  
SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01  
/096 R

DRAFTED BY EB/ORF/FSE:PBABIAN:MEP  
APPROVED BY ARA/ECP - DTAHER  
FEA - JTREAT (DRAFT)  
-----241121Z 071017 /21  
R 232133Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY GUATEMALA

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E.O. 11652: GDS

TAGS: EGEN, GT

SUBJECT: PACIFIC - ATLANTIC COAST OIL PIPELINE

REF: GUATEMALA 1181

1. CAPICO OFFICIALS HAVE AGAIN APPROACHED FEA WITH CLAIMS OF GOG ENDORSEMENT "AT CABINET LEVEL" OF THEIR TRANS-GUATEMALA PIPELINE PROPOSAL. SPECIFICALLY, CAPICO CLAIMS IN FEBRUARY 23 LETTER "SINCE SEPTEMBER 1975, NEGOTIATIONS HAVE BEEN CARRIED OUT WITH THE GOVERNMENT OF GUATEMALA AND AT ITS REQUEST A FORMAL PROPOSAL WAS SUBMITTED. THIS PROPOSAL HAS BEEN STUDIED AND ACCEPTED AT CABINET LEVEL AND CONTRACTUAL ARRANGEMENTS ARE BEING FINALIZED. AREAS UTILIZED BY THE TRANS-GUATEMALA PIPELINE WILL BE DECLARED TO HAVE A FREE-PORT STATUS FOR THE MOVEMENT  
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OF HYDROCARBONS EXCLUSIVELY. THUS, ALASKAN CRUDE WILL NOT LEGALLY ENTER A FOREIGN COUNTRY AND WILL TRAVERSE GUATEMALA ONLY IN BOND AND UNDER CUSTODY AS IN ANY OTHER INTERNATIONALLY ACCEPTED FREE-PORT. THE PIPELINE WILL BE UNDERGROUND AND MAXIMUM SECURITY WILL BE PROVIDED.

NO NEW TREATY REQUIREMENTS BETWEEN THE U.S.A. AND

GUATEMALA ARE EXPECTED AS EXISTING TREATIES RATIFIED

BY THE CONGRESS OF BOTH COUNTRIES ARE IN EFFECT COVERING  
ALL ASPECTS OF MUTUAL ASSISTANCE AND COOPERATION."

2. AS STATED IN PREVIOUS CABLES ON THIS SUBJECT, FEA  
CONTINUES TO BELIEVE THAT CAPICO PROJECT IS NOT VIABLE  
AND SHOULD NOT BE ENCOURAGED BY USG. HOWEVER, IF GALLO  
IS ABLE TO BUILD A PIPELINE ACROSS GUATEMALA, FEA  
NEEDSTOTAKE ACCOUNT OF IT. THEREFORE, EMBASSY IS RE-  
QUESTED TO INQUIRE IN A LOW KEY MANNER ABOUT THE EXTENT  
OF ENDORSEMENT GIVEN THE PROJECT BY THE GOVERNMENT OF  
GUATEMALA. SPECIFICALLY, IS IT TRUE THAT THE GALLO  
PROPOSAL HAS BEEN "ACCEPTED AT THE CABINET LEVEL", AND  
IS SO, WHAT IS THE SIGNIFICANCE OF THAT ACCEPTANCE? FEA  
WOULD ALSO APPRECIATE ANY INFORMATION EMBASSY MAY BE  
ABLE TO SUPPLY ABOUT THE RISK OF EARTHQUAKE IN THE VICI-  
NITY OF THE PROPOSED PIPELINE ROUTE.

3. WOULD APPRECIATE AN EARLY RESPONSE. PLEASE SLUG  
REPLY TO CLEMENT MALIN, FEA.  
VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, PIPELINES  
**Control Number:** n/a  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** PBARBIAN:MEP  
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**Executive Order:** GS  
**Errors:** N/A  
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**Office:** ORIGIN EB  
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**Original Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PACIFIC - ATLANTIC COAST OIL PIPELINE  
**TAGS:** EGEN, ENRG, ECRE, GT, CAPICO  
**To:** GUATEMALA  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/c65b20b3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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